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**比亞迪電子(國際)有限公司**  
**BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED**

*(Incorporated in Hong Kong under the Companies Ordinance with limited liability)*  
**(Stock code: 285)**

**RENEWAL OF  
CONTINUING CONNECTED TRANSACTIONS**

**SUMMARY**

Reference is made to the announcements of the Company dated 8 December 2021, 22 September 2022, 2 November 2022, 11 November 2022, 16 October 2023 and 26 December 2023, and the circulars of the Company dated 18 January 2022 and 2 December 2022 in respect of the Existing Continuing Connected Transaction Agreements entered into between the Group and BYD Group.

Since the terms of the Existing Continuing Connected Transaction Agreements will end on 31 December 2024, and the Company expects certain of such transactions to continue thereafter, the Board announces that on 15 October 2024, the Group entered into the New Continuing Connected Transaction Agreements with BYD Group.

As BYD is the controlling Shareholder of the Company indirectly interested in approximately 65.76% of the issued share capital of the Company as at the date of the New Continuing Connected Transaction Agreements, each of BYD and its subsidiaries (excluding the Group) is a connected person of the Company. Therefore, the transactions contemplated under the New Continuing Connected Transaction Agreements constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for the Continuing Connected Transaction for the three years ending 31 December 2027 referred to in sub-section A in the section headed "II. Renewal of Continuing Connected Transactions" of this announcement exceed 5%, it constitutes Non-exempt Continuing Connected Transaction of the Company. The Non-exempt Continuing Connected Transaction and its proposed New Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for the Continuing Connected Transactions for the three years ending 31 December 2027 respectively referred to in sub-sections B, C, D, E, F, G and H in the section headed “II. Renewal of Continuing Connected Transactions” of this announcement exceed 0.1% but none of the applicable percentage ratios exceeds 5%, they constitute Exempt Continuing Connected Transactions of the Company. The Exempt Continuing Connected Transactions and their respective New Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders, and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions and each of their proposed New Caps. It is expected that a circular containing, among other things, further details of the Non-exempt Continuing Connected Transaction, together with the recommendations of the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or before 5 November 2024.

## **I. INTRODUCTION**

Reference is made to the announcements of the Company dated 8 December 2021, 22 September 2022, 2 November 2022, 11 November 2022, 16 October 2023 and 26 December 2023, and the circulars of the Company dated 18 January 2022 and 2 December 2022, in respect of the Existing Continuing Connected Transaction Agreements entered into between the Group and BYD Group.

Since the terms of the Existing Continuing Connected Transaction Agreements will end on 31 December 2024, and the Company expects certain of such transactions to continue thereafter, the Board announces that on 15 October 2024 the Group entered into the New Continuing Connected Transaction Agreements with BYD Group.

As BYD is the controlling Shareholder of the Company indirectly interested in approximately 65.76% of the issued share capital of the Company as at the date of the New Continuing Connected Transaction Agreements, each of BYD and its subsidiaries (excluding the Group) is a connected person of the Company. Therefore, the transactions contemplated under the New Continuing Connected Transaction Agreements constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for the Continuing Connected Transaction for the three years ending 31 December 2027 referred to in sub-section A in the section headed “II. Renewal of Continuing Connected Transactions” of this announcement exceed 5%, it constitutes Non-exempt Continuing Connected Transaction of the Company. The Non-exempt Continuing Connected Transaction and its proposed New Caps are subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for the Continuing Connected Transactions for the three years ending 31 December 2027 respectively referred to in sub-sections B, C, D, E, F, G and H in the section headed “II. Renewal of Continuing Connected Transactions” of this announcement exceed 0.1% but none of the applicable percentage ratios exceeds 5%, they constitute Exempt Continuing Connected Transactions of the Company. The Exempt Continuing Connected Transactions and their respective New Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising the independent non-executive Directors (namely Mr. CHUNG Kwok Mo John, Mr. QIAN Jing-jie and Ms. WANG Ying) has been established to advise the Independent Shareholders, and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transaction and its proposed New Caps. It is expected that a circular containing, among other things, further details of the Non-exempt Continuing Connected Transaction, together with the recommendations of the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or before 5 November 2024.

Further details of the Continuing Connected Transactions, the New Continuing Connected Transaction Agreements, the Existing Caps, the New Caps and the actual historical transaction amounts of such Continuing Connected Transactions for the relevant periods are set out below.

## II. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

The Continuing Connected Transactions include the following:

<b>Name of connected person</b>	<b>Connected person's relationship with the Group</b>	<b>Nature of the Continuing Connected Transaction with the Group</b>
BYD and its subsidiaries (other than the Group)	BYD is the holder of approximately 65.76% of the total issued share capital of the Company	<ul style="list-style-type: none"><li>(a) Supply of products by the Group to the BYD Group</li><li>(b) Purchase of products (including batteries) by the Group from the BYD Group</li><li>(c) Provision of processing and agent sales services by the Group to the BYD Group</li><li>(d) Provision of utilities connection and/or utilities by the BYD Group to the Group</li><li>(e) Provision of processing services by BYD Group to the Group</li><li>(f) Leasing of properties by BYD Group to the Group</li><li>(g) Provision of purchasing services by BYD Group to the Group</li><li>(h) Provision of power supply services by the Group to the BYD Group</li></ul>

A summary of the proposed New Caps for each of the Continuing Connected Transactions is set out below:

<b>Continuing Connected Transactions</b>	<b>2025</b> <i>RMB'000</i>	<b>2026</b> <i>RMB'000</i>	<b>2027</b> <i>RMB'000</i>
(a) Supply of products by the Group to BYD Group <sup>#</sup>	29,840,556	37,255,626	44,103,680
(b) Purchase of products (including batteries) by the Group from the BYD Group <sup>*</sup>	2,719,521	2,863,707	2,976,798
(c) Provision of processing and agent sales services by the Group to the BYD Group <sup>*</sup>	1,604,493	1,910,338	2,262,911
(d) Provision of utilities connection and/or utilities by the BYD Group to the Group <sup>*</sup>	981,419	1,139,945	1,326,649
(e) Provision of processing services by the BYD Group to the Group <sup>*</sup>	1,449,079	1,509,953	1,636,126
(f) Leasing of properties by the BYD Group to the Group <sup>*</sup>	488,683	520,696	557,564
(g) Provision of purchasing services by the BYD Group to the Group <sup>*</sup>	78,383	84,501	86,298
(h) Provision of power supply services by the Group to the BYD Group <sup>*</sup>	197,385	227,491	262,232

*Notes:*

1. Where a Continuing Connected Transaction is marked “#”, that means the relevant Continuing Connected Transaction is a Non-exempt Continuing Connected Transaction and is subject to reporting, announcement, annual review and independent shareholders’ approval requirements, because one or more of the applicable percentage ratios as stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for the relevant Continuing Connected Transaction exceed 5%.
2. Where a Continuing Connected Transaction is marked “\*”, that means the relevant Continuing Connected Transaction is an Exempt Continuing Connected Transaction and is subject to reporting, announcement and annual review requirements but exempt from independent shareholders’ approval requirement, because one or more of the applicable percentage ratios as stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for the relevant Continuing Connected Transaction exceed 0.1% but none of them exceeds 5%.

**A. Supply of products by the Group to BYD Group**

Agreement:	New Supply Agreement
Date:	15 October 2024
Parties:	1. The Company 2. BYD
Duration:	1 January 2025 to 31 December 2027
Effective Date:	The date on which Independent Shareholders’ approval in respect of this agreement is obtained.
Subject:	The Group agreed to supply to BYD Group products required for the production of BYD Group’s products, such as rotatable display screens, USB, host and Dilink-related products, intelligent and high-end automobile parts such as intelligent cockpit, smart driving, advanced suspension and smart domain controller, moulds and jigs, structural parts and certain other products and materials.
Price determination:	The selling prices will be determined after arm’s length negotiation between the Group and BYD Group with reference to factors including the extent that the product is customized, scale of supply, technological improvements in the products, and generally the selling prices shall not be lower than prices charged to its independent third party customers for similar products by the Group, which represents the then prevailing market prices. The Group has already implemented a policy to review the terms of supply of products offered to the BYD Group before proceeding to give quotations to the BYD Group in respect of its purchase orders. Particularly, the Group will compare the terms of supply of products, including but not limited to the prices, in respect of the same or similar products offered to independent third party customers, to ensure that the terms offered by the Group to the BYD Group will be no more favorable than those offered to independent third party customers of the Group.

In accordance with the Group's internal policies, the Non-exempt Continuing Connected Transaction under the New Supply Agreement will be properly recorded, including but not limited to prices determined and transaction amounts. As the management of the Group will review the aforesaid pricing policy on a quarterly basis, our Directors are of the view that the aforesaid method and procedures can ensure that the Non-exempt Continuing Connected Transaction contemplated under the New Supply Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

Payment terms: Payment of each transaction will comply with the payment terms agreed by the relevant parties in the relevant contract(s) or order.

The table below summarises the Existing Caps for the three years ended 31 December 2024 for the Continuing Connected Transaction set out in this sub-section:

	<b>2022</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
Existing Caps	8,067,663	24,480,296	26,534,547

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 (audited) and the eight months ended 31 August 2024 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	<b>Year ended</b> <b>31 December</b> <b>2022</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Year ended</b> <b>31 December</b> <b>2023</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Eight months</b> <b>ended</b> <b>31 August</b> <b>2024</b> <i>RMB'000</i> <i>(approx.)</i>
Actual transaction amount	7,426,343	11,543,923	9,336,423

The Company estimates that the transaction amounts for the said Continuing Connected Transaction for the three years ending 31 December 2027 will not exceed RMB29,840,556,000, RMB37,255,626,000 and RMB44,103,680,000 respectively, and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical transaction amounts; (ii) the expected substantial increase in demand of BYD Group for the Group's products (in particular, rotatable display screens which were also used for the production of BYD Group's new energy vehicles) for the three years ending 31 December 2027; and (iii) product competitiveness and production and operation capacity of the Group. According to BYD's 2024 interim report, in June 2024, the market share of new energy vehicles of BYD Group further increased, winning the sales champion of the domestic automobiles, retaining its No.1 position in the global sales of new energy vehicles. With the expansion of the global new energy vehicle market and the continuous enrichment of the new energy vehicle product matrix and the continuous improvement of the level from electrification to intelligence and the brand premiumization of BYD Group, it is expected that the demand from the BYD Group's new energy vehicle business for our Group's products will continue to maintain rapid growth in the future. Leveraging years of accumulation in research and development and capacity expansion by the Company, the product standards and the conditions of production capacity of the Company can also fully satisfy relevant needs of BYD. As a result, BYD Group's expected demand for our Group's products will increase substantially for the period ending 31 December 2025.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2027 exceed 5%, it constitutes a Non-exempt Continuing Connected Transaction of the Company. This Non-exempt Continuing Connected Transaction and the proposed New Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. BYD and its associates will be required to abstain from voting at the EGM in relation to the resolution to be proposed in respect of these proposed New Caps and the New Supply Agreement.

As this Continuing Connected Transaction for the three years ending 31 December 2027 is a Non-exempt Continuing Connected Transaction and the proposed New Caps are subject to the approval of the Independent Shareholders, the New Supply Agreement is conditional upon the said resolution being passed at the EGM.

## **B. Purchase of products (including batteries) by the Group from BYD Group**

Agreement:	New Purchase Agreement
Date:	15 October 2024
Parties:	1. The Company 2. BYD
Duration:	1 January 2025 to 31 December 2027



**Subject:** The BYD Group agreed to supply materials used for production of handset casings, plastic structural materials, packaging materials and certain other products and materials, as well as batteries according to the specifications as requested by the Group from time to time for certain new intelligent products produced by the Group to the Group.

**Price determination:** For the Group's purchases of products other than batteries, the Group will make reference to prices of similar products charged by its independent third party suppliers to ensure that BYD Group is selling the products at the then prevailing market prices, and in any event at terms and prices no less favorable than those offered to the Group by an independent third party for the same or similar products. For purchases of batteries, the prices of the batteries offered by the BYD Group to the Group shall be with reference to the costs of production of the batteries of the BYD Group plus a profit margin agreed between the Group and BYD Group after arm's length negotiation (such profit margin shall be determined with reference to factors including but not limited to specification of the battery product, size of the orders and market environment, and shall not be greater than such profit margin which the BYD Group has in respect of similar products supplied by the BYD Group to its independent third party customers), and in any event at terms and prices no less favorable than those offered to the Group by an independent third party for the same or similar type of batteries offered in the PRC and for the same or comparable volume, delivery schedules and terms (unless there is no such reference price available). Depending on the expected quantity and/or the specification of the batteries required, members of the Group shall have the right to engage different suppliers, including the BYD Group, through a tendering or price comparison process.

For the Group's purchase of products from the BYD Group (including batteries), the Group has already implemented a policy to request suppliers, including the BYD Group and independent third party suppliers, to provide quotations in respect of the same or similar products (except for materials of insignificant amount) before making orders with the BYD Group. It is the Group's policy to obtain at least two to three quotations from different suppliers. After receiving quotations, the Group will compare the price offered by the BYD Group and other criteria (such as the capability to meet the Group's delivery schedule and ensure quality of products) with those of independent third party suppliers so as to determine the engagement results.

For the Group's purchase of batteries from the BYD Group, reference prices for batteries may not be readily available to the Group. This is because batteries supplied by the BYD Group under the New Purchase Agreement are made-to-order in accordance with specifications required by the Group, and since the BYD Group, being an established battery producer in the world that is also the controlling shareholder of the Group, is one of the biggest competitors of other battery producers, batteries from other suppliers may not be available for purchase by the Group. Therefore, for the Group's purchase of batteries from the BYD Group, in the event that no reference price is available rendering the above policy ineffective, the Group has implemented a policy to request that the BYD Group provide at least 3 executed purchase orders of independent third party customers of the BYD Group in respect of the same or similar products during the same period to the Group. After receiving the executed purchase orders from the BYD Group, the Group will compare the prices and terms offered by the BYD Group to the Group with those to the independent third party customers of the BYD Group so as to determine that the prices and terms of the purchase order offered by the BYD Group to the Group are no less favorable than those offered by the BYD Group to its independent third party customers. In respect of purchases of batteries, in order to determine whether the profit margin agreed between the Group and BYD Group is at such profit margin that is not greater than such profit margin which BYD has in respect of similar products supplied by BYD Group to its independent third party customers, the Group will request that the BYD Group provide relevant data of the Group's purchase order and at least 3 executed purchase orders of independent third party customers of the BYD Group in respect of the same or similar batteries during the same period to the Group. The Group will compare the profit margin which the BYD Group has under the Group's purchase orders with that of the BYD Group's independent third party customers' purchase orders to confirm that the profit margin of batteries to be supplied to the Group is not greater than such profit margin that the BYD Group has in respect of the same or similar batteries. The Group will conclude the purchase with the BYD Group only when those selection criteria can be met after taking into consideration the range of relevant factors, including but not limited to, prices, terms of delivery, specification of the products, terms of payment and size of order, etc., in order to safeguard the interests of the Group.

In accordance with the Group's internal policies, the Exempt Continuing Connected Transaction under the New Purchase Agreement will be properly recorded, including but not limited to prices determined and transaction amounts. As the management of the Group will review the aforesaid pricing policy on a quarterly basis and compare the quotation provided by the BYD Group and independent third party suppliers, our Directors are of the view that the aforesaid method and procedures can ensure that the Exempt Continuing Connected Transaction contemplated under the New Purchase Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

Payment terms: Payment of each transaction will comply with the payment terms agreed by the relevant parties in the relevant contract(s) or order.

The table below summarises the Existing Caps for the three years ended 31 December 2024 for the Continuing Connected Transaction set out in this sub-section:

	<b>2022</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
Existing Caps	3,524,350	6,353,855	7,177,079

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 (audited) and the eight months ended 31 August 2024 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	<b>Year ended</b> <b>31 December</b> <b>2022</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Year ended</b> <b>31 December</b> <b>2023</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Eight months</b> <b>ended</b> <b>31 August</b> <b>2024</b> <i>RMB'000</i> <i>(approx.)</i>
Actual transaction amount	3,170,209	4,765,057	1,495,207

In order to ensure the Group's normal production and operation and to promote its business development, the Group is required to obtain sufficient raw material supply. The transaction under the New Purchase Agreement will enable the Group to save time and costs in acquiring products that meet the standard from the BYD Group directly, as the Group does not need to negotiate with suppliers individually.

The Company estimates that the transaction amounts for the said Continuing Connected Transaction for the three years ending 31 December 2027 will not exceed RMB2,719,521,000, RMB2,863,707,000 and RMB2,976,798,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The proposed New Caps have been prepared by the Company primarily based on: (i) the historical transaction amounts; and (ii) the rapid development of relevant businesses of the Group (in particular, the expected growth of the business of specific new intelligent products including smart home products).

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2027 exceed 0.1% but none of the applicable percentage ratios exceeds 5%, it constitutes an Exempt Continuing Connected Transaction of the Company. This Exempt Continuing Connected Transaction and the proposed New Caps are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As this Continuing Connected Transaction for the three years ending 31 December 2027 is an Exempt Continuing Connected Transaction and the proposed New Caps are not subject to the approval of the Independent Shareholders, the New Purchase Agreement has no other conditions precedent and will take effect on the date of agreement.

**C. Provision of processing and agent sales services by the Group to BYD Group**

Agreement:	New BE Processing and Agent Sales Services Agreement
Date:	15 October 2024
Parties:	<ol style="list-style-type: none"><li>1. The Company</li><li>2. BYD</li></ol>
Duration:	1 January 2025 to 31 December 2027
Subject:	Pursuant to the terms of the New BE Processing and Agent Sales Services Agreement, the Group agrees to provide BYD Group with automation equipment design services, and provide testing services, research and development support and agent sales service for certain products of the BYD Group.

Price determination: With reference to the costs of the Group in provision of the relevant processing and agent sales services plus a profit margin to be determined after arm's length negotiation between the Group and BYD. The Group will determine the fees with reference to prices charged to its independent third party customers for similar services. The terms and rights available to BYD Group shall not be more favourable than those made available by the Group to other third party customers. In accordance with the Group's internal policies, the Exempt Continuing Connected Transaction under the New BE Processing and Agent Sales Services Agreement will be properly recorded, including but not limited to prices determined and transaction amounts. As the management of the Group will review the aforesaid pricing policy on a regular basis, our Directors are of the view that the aforesaid methods and procedures can ensure that the Exempt Continuing Connected Transactions contemplated under the New BE Processing and Agent Sales Services Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

Payment terms: Payment of each transaction will comply with the payment terms agreed by the relevant parties in the relevant contract(s) or order.

The table below summarises the Existing Caps for the three years ending 31 December 2024 for the Continuing Connected Transaction set out in this sub-section:

	<b>2022</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
Existing Caps	1,814,138	2,052,409	1,834,119

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 (audited) and the eight months ended 31 August 2024 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	<b>Year ended</b> <b>31 December</b> <b>2022</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Year ended</b> <b>31 December</b> <b>2023</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Eight months</b> <b>ended</b> <b>31 August</b> <b>2024</b> <i>RMB'000</i> <i>(approx.)</i>
Actual transaction amount	1,160,341	1,137,236	520,675

The Company estimates that the transaction amounts for this Continuing Connected Transaction for the three years ending 31 December 2027 will not exceed RMB1,604,493,000, RMB1,910,338,000 and RMB2,262,911,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The proposed New Caps were determined primarily based on arm's length negotiations between the Company and BYD with reference to (i) the historical transaction amounts; (ii) the costs of the Company in provision of relevant services plus a profit margin to be determined after arm's length negotiation between the Company and BYD based on the pricing terms; (iii) the development of the Group's relevant research and development projects of automotive electronics; and (iv) in respect of agent sales services to be provided by the Group to BYD, the estimated business volume of the businesses in which the Group has been commissioned by BYD to serve as an agent for the sale of new energy vehicles in certain countries and regions.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2024 exceed 0.1% but none of the applicable percentage ratios exceeds 5%, it constitutes an Exempt Continuing Connected Transaction of the Company. This Exempt Continuing Connected Transaction and the proposed New Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As this Continuing Connected Transaction for the three years ending 31 December 2024 is an Exempt Continuing Connected Transaction and the proposed New Caps are not subject to the approval of Independent Shareholders, the New BE Processing and Agent Sales Service Agreement has no other conditions precedent and will take effect on the date of agreement.

**D. Provision of utilities connection and/or utilities by BYD Group to the Group**

Agreement: New BYD Utility Services Master Agreement

Date: 15 October 2024

Parties: 1. The Company  
2. BYD

Duration: 1 January 2025 to 31 December 2027

Subject: The BYD Group agreed to provide the connection of (as the case may be) certain utilities, including water, electricity and gas, to the Group.

Terms: Fees payable by the Group to BYD Group in relation to the provision of utilities connection and/or utilities (as the case may be) will be determined based on usage as measured by the relevant meters and the costs incurred by BYD Group in the sense that the Group has to reimburse BYD Group for the portion of its utility costs attributable to the relevant production facilities of the Group and to share all maintenance and repairing costs incurred in connection with the utility infrastructure by reference to usage as measured by the relevant meters. No mark up will be made by BYD Group and fees payable by the Group will be purely on a reimbursement basis. In order to ascertain that the maintenance and repairing costs incurred by BYD Group is fair, reasonable and after due and careful consideration, the Group will obtain and check sufficient contemporaneous records such as calculation breakdown and actual invoices for the maintenance and repairing costs incurred by BYD Group. The Group will review and provide feedback on the records to ensure the accuracy and fairness of the maintenance and repairing costs to be charged to the Group.

Price determination: On the basis of the usage rate as recorded in the relevant meters with reference to the market price (which is the actual price charged to BYD Group by local utility bureaus). The Group also shares the maintenance and repairing costs incurred in connection with the utility infrastructure by reference to usage as measured by the relevant meters.

The meter readings will be recorded and monitored by staff of both the Group and BYD Group regularly to ensure proper recording of the Group's usage of utilities. The BYD Group has kept separate meters for different utilities to be provided to the Group. The Group will obtain copies of utilities bills charged to BYD Group by local utility bureaus to monitor and check the usage rate. Our Directors are of the view that the aforesaid method and procedures can ensure that the Exempt Continuing Connected Transaction contemplated under the New BYD Utility Services Master Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

Payment terms: Payment of each transaction will comply with the payment terms agreed by the relevant parties in the relevant contract(s) or order.



The table below summarises the Existing Caps for the three years ended 31 December 2024 for the Continuing Connected Transaction set out in this sub-section:

	<b>2022</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
Existing Caps	788,306	865,845	955,224

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 (audited) and the eight months ended 31 August 2024 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	<b>Year ended</b> <b>31 December</b> <b>2022</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Year ended</b> <b>31 December</b> <b>2023</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Eight months</b> <b>ended</b> <b>31 August</b> <b>2024</b> <i>RMB'000</i> <i>(approx.)</i>
Actual transaction amount	648,595	612,264	412,198

The Company estimates that the transaction amounts for the said Continuing Connected Transaction for the three years ending 31 December 2027 will not exceed RMB981,419,000, RMB1,139,945,000 and RMB1,326,649,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The proposed New Caps have been prepared by the Company primarily based on: (i) the historical transaction amounts; and (ii) the expected increase of the Group's usage of utilities as a result of the expected growth in handset parts and components, complete handset assembly and automotive electronics business of the Group, namely businesses that require utilities connection by the BYD Group, in the next three years.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2027 exceed 0.1% but none of the applicable percentage ratios exceeds 5%, it constitutes an Exempt Continuing Connected Transaction of the Company. This Exempt Continuing Connected Transaction and the proposed New Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As this Continuing Connected Transaction for the three years ending 31 December 2027 is an Exempt Continuing Connected Transaction and the proposed New Caps are not subject to the approval of the Independent Shareholders, the New BYD Utility Services Master Agreement has no other conditions precedent and will take effect on the date of agreement.



## **E. Provision of processing services by BYD Group to the Group**

Agreement:	New Processing Services Agreement
Date:	15 October 2024
Parties:	<ol style="list-style-type: none"><li>1. The Company</li><li>2. BYD</li></ol>
Duration:	1 January 2025 to 31 December 2027
Subject:	BYD Group agreed to provide to the Group certain design, testing, quality control, processing and repairing services for certain products of the Group (including handset metal parts) and facilities (including factory renovation and wastewater treatment) of the Group.
Price determination:	With reference to the costs of the BYD Group in provision of the relevant processing services plus (in the case of processing services for products of the Group) a profit margin to be determined after arm's length negotiation between the Company and BYD or arm's length negotiation between the Group and BYD Group (other than those services with insignificant amounts). The Group will make reference to processing fees charged by its independent third party service providers in determining the processing services fees.

The Group has already implemented a policy to request service providers, including the BYD Group and other independent third party service providers, to provide quotations in respect of different services (except for services of insignificant amount) before making orders with the BYD Group. It is the Group's policy to obtain at least two or three quotations from independent third party service providers. After receiving the quotations, the Group will compare the fees offered by the BYD Group and other criteria (such as the capability to meet the Group's delivery schedule, quality and processing capacity) with that of independent third party service providers so as to determine the engagement results.

In accordance with the Group's internal policies, the Exempt Continuing Connected Transaction under the New Processing Services Agreement will be properly recorded, including but not limited to fees determined and transaction amounts. As the management of the Group will review the aforesaid pricing policy on a regular basis and compare the quotations provided by the BYD Group and the other independent third party service providers, our Directors are of the view that the aforesaid method and procedures can ensure that the Exempt Continuing Connected Transaction contemplated under the New Processing Services Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

Payment terms: Payment of each transaction will comply with the payment terms agreed by the relevant parties in the relevant contract(s) or order.

The table below summarises the Existing Caps for the three years ending 31 December 2024 for the Continuing Connected Transaction set out in this sub-section:

	<b>2022</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
Existing Caps	1,413,018	1,092,951	749,163

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 (audited) and the eight months ended 31 August 2024 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	<b>Year ended</b> <b>31 December</b> <b>2022</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Year ended</b> <b>31 December</b> <b>2023</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Eight months</b> <b>ended</b> <b>31 August</b> <b>2024</b> <i>RMB'000</i> <i>(approx.)</i>
Actual transaction amount	331,311	433,367	599,682

The Group will continue to engage the BYD Group as the main provider of processing services for the three years ending 31 December 2027 for the following reasons:

- (a) BYD Group's factory sites in Shenzhen are within proximity to Huizhou and are capable of providing processing services to undertake some steps in the production process of handset metallic components of the Group;
- (b) BYD Group is equipped with machinery to provide the Group with processing and product testing services that may be required by the Group from time to time; and
- (c) since the Group and BYD Group adopt similar product standards, BYD Group is in a better position to understand the Group's needs and expectations, and accordingly provide the appropriate processing services to the Group.

The Company estimates that the transaction amounts for the said Continuing Connected Transaction for the three years ending 31 December 2027 will not exceed RMB1,449,079,000, RMB1,509,953,000 and RMB1,636,126,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical transaction amounts of the provision of the said processing services; (ii) the Group's business needs, production planning and production capacity; (iii) the conditions of the Group's plants and production facilities and the Group's expected development plans, including but not limited to the renovation, maintenance, installation and/or protection plans of the said facilities with reference to the Group's operational and production needs; and (iv) the estimated market price of the processing services that may be required by the Group (including but not limited to renovation, maintenance, installation and/or protection).

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2027 exceed 0.1% but none of the applicable percentage ratios exceeds 5%, it constitutes an Exempt Continuing Connected Transaction of the Company. This Exempt Continuing Connected Transaction and the proposed New Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As this Continuing Connected Transaction for the three years ending 31 December 2027 is an Exempt Continuing Connected Transaction and the proposed New Caps are not subject to the approval of the Independent Shareholders, the New Processing Services Agreement has no other conditions precedent and will take effect on the date of agreement.

## **F. Leasing of properties by BYD Group to the Group**

Agreement: New Property Leasing Framework Agreement

Date: 15 October 2024

Parties: 1. The Company  
2. BYD

Duration: 1 January 2025 to 31 December 2027

Subject: The parties have agreed that the Group may from time to time lease the properties of the BYD Group in the PRC, predominantly factory and office space, for the purposes of its daily operations.

The parties or their respective subsidiaries shall enter into individual property leasing agreements in respect of each leasing arrangement in accordance with the terms of the New Property Leasing Framework Agreement. Each individual property leasing agreement shall contain, amongst other things, the specific details of the leased property and must comply with the terms of the New Property Leasing Framework Agreement, the Listing Rules and applicable laws.

Price determination: The Group shall determine the rent payable for each lease after arm's length negotiations based on normal commercial principles with reference to the market price and other commercial considerations, such as floor area, location and the type of property. In particular, the rent shall not exceed the amount of rent payable by or to be charged by an independent third party in respect of similar leased properties.

In determining the rent for the leases under the New Property Leasing Framework Agreement, the Group shall make reference to market prices of leases of comparable premises and conducted site visits. The Group shall take into consideration a range of relevant factors (such as location, size, transportation, construction and utility facilities of the premises) to determine whether the premises are suitable for the Group in order to safeguard the interests of the Group. Our Directors are of the view that the aforesaid method and procedures can ensure that the Exempt Continuing Connected Transaction contemplated under the New Property Leasing Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

The New Property Leasing Framework Agreement constitutes an Exempt Continuing Connected Transaction of the Company. The table below summarises the Existing Caps for the three years ending 31 December 2024 for the Continuing Connected Transaction set out in this sub-section:

	<b>2022</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
Existing Caps	433,939	454,759	477,317

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 (audited) and the eight months ended 31 August 2024 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	<b>Year ended 31 December 2022</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Year ended 31 December 2023</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Eight months ended 31 August 2024</b> <i>RMB'000</i> <i>(approx.)</i>
Actual transaction amount	316,147	300,701	213,136

Based on the assumption that the rent for each of the leases under the New Property Leasing Framework Agreement will remain unchanged for the three years ending 31 December 2027, and taking into account additional premises which the Group will rent to meet its increasing size of operations, the Company expects that the transaction amounts of this Continuing Connected Transaction for the three years ending 31 December 2027 will not exceed RMB488,683,000, RMB520,696,000 and RMB557,564,000, respectively and the same have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The proposed New Caps have been prepared by the Company primarily based on (i) the historical transaction amounts in respect of property leasing between the Group and BYD Group; (ii) the aggregate rent amount paid/payable by the Group under the existing property leasing framework agreement for the year ending 31 December 2024; and (iii) the Company's expected demand for new leasing arrangements during the term of the New Property Leasing Framework Agreement to satisfy its business development needs and the expected growth of the production of smartphones and personal laptops, new intelligent products and rotatable display screens.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2027 exceed 0.1% but none of the applicable percentage ratios exceeds 5%, it constitutes an Exempt Continuing Connected Transaction of the Company. The Exempt Continuing Connected Transaction and the proposed New Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As this Continuing Connected Transaction for the three years ending 31 December 2027 is an Exempt Continuing Connected Transaction and the proposed New Caps are not subject to the approval of Independent Shareholders, the New Property Leasing Framework Agreement has no other conditions precedent and will take effect on the date of agreement.

**G. Provision of purchasing services by BYD Group to the Group**

Agreement:	New Supply Chain Management Service Agreement
Date:	15 October 2024
Parties:	<ol style="list-style-type: none"><li>1. The Company</li><li>2. BYD</li></ol>
Duration:	1 January 2025 to 31 December 2027
Subject:	Pursuant to the terms of the New Supply Chain Management Service Agreement, the BYD Group agrees to provide purchasing service to the Group. Under this arrangement, the BYD Group will provide purchase order execution and logistic support to the Group, including but not limited to the consolidation of purchase orders from the Group in respect of production equipment, machinery and raw materials for the Group's production of handset parts and components, new intelligent equipment and rotatable display screens, selection of appropriate suppliers, negotiation with suppliers for bulk purchase discount and delivery schedule, as well as quality control and inspection and provide legal and other consultation services to the Group on matters in relation to the provision of purchasing services.

Price determination:

The total purchasing service fees payable per calendar year shall not exceed 0.3% of the total purchase amount of all the goods purchased during the relevant calendar year (excluding value added tax or other applicable taxes, discounts, allowances or returns). The rate of the purchasing service fee was determined with reference to the expenses to be incurred by BYD Group in rendering the purchasing service to the Group, plus a margin taking into account the benefit available to the Group from BYD Group's services. Pursuant to the terms of the New Supply Chain Management Service Agreement, BYD Group will negotiate with various suppliers on a centralised basis for both the BYD Group and the Group, which will enable the Group to save time and costs in negotiation as the Group will no longer need to negotiate with suppliers individually. The Group will also benefit from bulk purchasing which will enable the Group to enjoy more favourable terms than if members of the Group and the BYD Group were to undertake their purchasing individually. Under this arrangement, procurement of products by the Group could be better coordinated and transacted more efficiently.

In determining the purchasing service fee, the Group will obtain and check records of relevant expenses incurred by BYD Group and the management of the Group will review the aforesaid pricing policy on a regular basis. Our Directors are of the view that the aforesaid method and procedures can ensure that the Exempt Continuing Connected Transactions contemplated under the New Supply Chain Management Service Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

Payment terms:

Generally within 90 days from the date of invoice

The table below summarises the Existing Caps for the three years ending 31 December 2024 for the Continuing Connected Transaction set out in this sub-section:

	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Existing Caps	81,397	97,796	104,934

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023 (audited) and the eight months ended 31 August 2024 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	<b>Year ended 31 December 2022</b>	<b>Year ended 31 December 2023</b>	<b>Eight months ended 31 August 2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(approx.)</i>	<i>(approx.)</i>	<i>(approx.)</i>
Actual transaction amount	73,636	77,957	44,880

The Company estimates that the transaction amounts for this Continuing Connected Transaction for the three years ending 31 December 2027 will not exceed RMB78,383,000, RMB84,501,000 and RMB86,298,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The proposed New Caps were determined primarily based on arm's length negotiations between the BYD Group and the Company with reference to the (i) historical transaction amounts of the provision of the said purchasing services; and (ii) the expenses to be incurred by the BYD Group in rendering the purchasing service to the Group.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2027 exceed 0.1% but none of the applicable percentage ratios exceeds 5%, it constitutes an Exempt Continuing Connected Transaction of the Company. This Exempt Continuing Connected Transaction and the proposed New Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As this Continuing Connected Transaction for the three years ending 31 December 2027 is an Exempt Continuing Connected Transaction and the proposed New Caps are not subject to the approval of Independent Shareholders, the New Supply Chain Management Service Agreement has no other conditions precedent and will take effect on the date of agreement.



## **H. Provision of power supply services by the Group to the BYD Group**

Agreement:	New Power Supply Services Agreement
Date:	15 October 2024
Parties:	<ol style="list-style-type: none"><li>1. The Company</li><li>2. BYD</li></ol>
Duration:	1 January 2025 to 31 December 2027
Subject:	Pursuant to the New Power Supply Services Agreement, the Group shall provide electricity to the BYD Group to satisfy the day-to-day operations and production needs of the BYD Group in the industrial hubs in regions such as Baolong, Shenzhen, the PRC.
Terms:	Fees payable by BYD Group to the Group in relation to the provision of electricity services will be determined based on usage as measured by the relevant meters and the costs incurred by the Group in the sense that BYD Group has to reimburse the Group for the portion of its electricity costs attributable to the relevant production facilities of BYD Group. No mark-up will be made by the Group and it is purely on a reimbursement basis.
Price determination:	<p>The fees payable by BYD Group shall be determined on the basis of the usage rate as recorded in the relevant meters with reference to the market price (which is the actual price charged to the Group by local electricity bureaus).</p> <p>The meter readings will be recorded and monitored by staff of both the Group and BYD Group regularly to ensure proper recording of the BYD Group's usage of electricity. Our accounting personnel will regularly obtain copies of electricity bills charged to the Group by local electricity bureaus to monitor and check the usage rate, assess whether all transactions contemplated under the New Power Supply Services Agreement are conducted in accordance with the relevant terms and ensure the transactions contemplated under the New Power Supply Services Agreement will also be properly recorded in accordance with the Company's internal policies.</p>
Payment terms:	Payment of each transaction will comply with the payment terms agreed by the relevant parties in the relevant contract(s) or order.

The table below summarises the Existing Caps for the three years ending 31 December 2024 for the Continuing Connected Transaction set out in this sub-section:

	<b>2022</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>	<b>2024</b> <i>RMB'000</i>
Existing Caps	103,295	185,277	200,588

The table below summarises the actual transaction amounts involved for the two years ended 31 December 2023(audited) and the eight months ended 31 August 2024 (unaudited) for the Continuing Connected Transaction set out in this sub-section:

	<b>Year ended 31 December 2022</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Year ended 31 December 2023</b> <i>RMB'000</i> <i>(approx.)</i>	<b>Eight months ended 31 August 2024</b> <i>RMB'000</i> <i>(approx.)</i>
Actual transaction amount	96,725	151,193	74,025

The Company estimates that the transaction amounts for this Continuing Connected Transaction for the three years ending 31 December 2027 will not exceed RMB197,385,000, RMB227,491,000 and RMB262,232,000, respectively, and such amounts have accordingly been set as the proposed New Caps for this Continuing Connected Transaction.

The proposed New Caps have been prepared by the Company primarily based on arm's length negotiations between the Company and BYD with reference to, among others, (i) the historical transaction amounts; (ii) the expected consumption of electricity by the BYD Group having considered its operational and production needs; (iii) the expected increases in production and production capacity of BYD Group; and (iv) the expected electricity cost to be charged by local electricity bureaus.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for this Continuing Connected Transaction for the three years ending 31 December 2027 exceed 0.1% but none of the applicable percentage ratios exceeds 5%, it constitutes an Exempt Continuing Connected Transaction of the Company. This Exempt Continuing Connected Transaction and the proposed New Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As this Continuing Connected Transaction for the three years ending 31 December 2027 is an Exempt Continuing Connected Transaction and the proposed New Caps are not subject to the approval of the Independent Shareholders, the New Power Supply Services Agreement has no other conditions precedent and will take effect on the date of agreement.

### **III. REASONS AND BENEFITS FOR THE CONTINUING CONNECTED TRANSACTIONS**

Leveraging the ongoing implementation of cutting-edge technologies such as AI and 5G, the consumer electronics and emerging smart product industries are experiencing sustained activation of market demand. Through proactive capacity expansion, mergers and acquisitions, and forward-thinking strategic planning, the Group continues to fortify its leading position in the relevant industries. In the realm of new energy vehicles, as the PRC solidifies its global dominance in this sector and BYD Group's market share rises, the Group's early investments in intelligent cockpit systems, smart driving systems, advanced suspension systems, smart domain controller and thermal management sensors capitalize on significant technological advantages, enabling mass production and escalating shipment volumes.

Given this business landscape, the Group anticipates an overall upward trajectory in scale and demand across all business sectors in the coming three years. Benefiting from a history of cooperative relations with BYD, mutual understanding of product offerings, service quality, and fair pricing standards, as well as the close proximity of both parties' factories and properties, the Directors, excluding the independent non-executive Directors, believe that it is beneficial to the Group to continue to carry out the Continuing Connected Transactions in each of three years ending 31 December 2027 to enhance and maximise operational efficiency and business growth of the Company, which is in line with the Group's business planning. The purposes of entering into the New Continuing Connected Transaction Agreements are to renew the Existing Continuing Connected Transaction Agreements for another three years to 31 December 2027 and to revise the annual caps of the transactions contemplated thereunder, to ensure that the Group and BYD Group can continue the continuing connected transactions under the New Continuing Connected Transactions Agreements.

### **IV. INTERNAL CONTROL MEASURES**

In addition to compliance with the requirements on annual review by external auditors and independent non-executive Directors under the Listing Rules in respect of the Group's Continuing Connected Transactions, the Company has set up relevant departments in charge of internal control and risk management to perform internal review and control over the Continuing Connected Transactions of the Company, including reviewing contracts signed between the Company and connected persons, reviewing the performance of procedures prior to signing of contracts as well as the fulfilment of transactions thereunder, regularly inspecting the specific terms of the Company's transactions with connected persons and comparing it with the terms of the same type of transactions of the Company entered into with third parties who are not connected persons, to ensure that the pricing and other contractual terms for the Group's Continuing Connected Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders and that the Continuing Connected Transactions are conducted in accordance with the contracts and in compliance with the laws and regulations.

To ensure the Continuing Connected Transactions do not exceed the annual caps, the relevant business departments of the Group shall fill in and submit statistical charts for the Continuing Connected Transactions at least quarterly. In the event that the amount of the Continuing Connected Transactions incurred and to be incurred for a financial year is expected to reach the annual caps, the relevant departments will follow up forthwith by reporting and proposing a response to the management of the Company, and in case that an amendment to the annual caps is required, report particulars to the Board and convene a Board meeting for considering the matters thereabout to ensure compliance with the requirements under the Listing Rules.

The Company also arranges compliance trainings for the Directors, senior management and staff from the relevant departments of the Group from time to time, primarily focusing on the rules relating to connected transactions under Chapter 14A of the Listing Rules.

## **V. LISTING RULES IMPLICATIONS**

As BYD is the controlling Shareholder of the Company indirectly interested in approximately 65.76% of the issued share capital of the Company as at the date of the New Continuing Connected Transaction Agreements, BYD is a connected person of the Company. Therefore, the transactions contemplated under the New Continuing Connected Transaction Agreements constitute Continuing Connected Transactions of the Company.

Mr. WANG Chuan-fu, a non-executive Director of the Company, is also an executive director and chairman of the board of directors of BYD and is interested in approximately 17.82% of the total issued share capital of BYD as at the date of the New Continuing Connected Transaction Agreements. Accordingly, Mr. WANG Chuan-fu, being a Director who may have a material interest, had voluntarily abstained from voting on the board resolutions of the Company concerning the Continuing Connected Transactions.

The Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transaction) have confirmed that the Continuing Connected Transactions have been subject to arm's length negotiation between the Group and the relevant parties, and have been entered into by the Group in the ordinary and usual course of business and either (i) on normal commercial terms or better, or (ii) on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties.

The Directors (excluding the independent non-executive Directors in respect of the Non-exempt Continuing Connected Transaction) are of the view that the terms of the Continuing Connected Transactions, and the relevant proposed New Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for the Continuing Connected Transactions for the three years ending 31 December 2027 referred to in sub-section A in the section headed "II. Renewal of Continuing Connected Transactions" of this announcement exceed 5%, they constitute Non-exempt Continuing Connected Transactions of the Company. The Non-exempt Continuing Connected Transactions and their proposed New Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the proposed New Caps for the Continuing Connected Transactions for the three years ending 31 December 2027 respectively referred to in sub-sections B, C, D, E, F, G and H in the section headed “II. Renewal of Continuing Connected Transactions” of this announcement exceed 0.1% but none of the applicable percentage ratios exceeds 5%, they constitute Exempt Continuing Connected Transactions of the Company. The Exempt Continuing Connected Transactions and their respective proposed New Caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

## **VI. INFORMATION ON THE GROUP AND BYD GROUP**

### **The Company and the Group**

The Company is incorporated under the laws of Hong Kong with limited liability whose Shares are listed on the Stock Exchange. Approximately 65.76% of the equity interests of the Company is owned by Golden Link Worldwide Limited, a company incorporated in the British Virgin Islands, which is ultimately wholly-owned by BYD. The Group is a global leading provider of high-tech and innovative products, providing customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in a wide variety of businesses ranging from smart phones, tablet PCs, new energy vehicles, AIDC (AI servers, thermal management, power management, etc.), smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots, communication equipment to other diversified market areas.

### **BYD**

BYD is a joint stock company incorporated in the PRC with limited liability whose shares are listed on the Main Board of the Stock Exchange and the Shenzhen Stock Exchange. The BYD Group is principally engaged in automobile business which mainly includes new energy vehicles, handset components and assembly services, as well as rechargeable battery and photovoltaic business, and is actively developing the urban rail transportation business segment by capitalising on its own technology strengths. BYD is ultimately controlled by Mr. WANG Chuan-fu, a non-executive Director of the Company.

## **VII. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising the independent non-executive Directors (namely Mr. CHUNG Kwok Mo John, Mr. QIAN Jing-jie and Ms. WANG Ying) has been established to advise the Independent Shareholders, and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions and their proposed New Caps.

## VIII. DESPATCH OF CIRCULAR

A circular containing, *inter alia*, (i) further details of the Non-exempt Continuing Connected Transaction; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions and the relevant New Caps; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 5 November 2024.

## IX. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors or a duly authorized committee of the board of Directors
“BYD”	BYD Company Limited (比亞迪股份有限公司), a joint stock company incorporated in the PRC with limited liability whose H shares are listed on the Main Board of the Stock Exchange and A shares are listed on the Main Board of the Shenzhen Stock Exchange
“BYD Group”	BYD and its subsidiaries (excluding, except where the context indicates otherwise, the Group)
“Company”	BYD Electronic (International) Company Limited (比亞迪電子(國際)有限公司), a company incorporated in Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transaction(s)”	the continuing connected transaction(s) of the Group under Chapter 14A of the Listing Rules as set out in the section headed “II. Renewal of Continuing Connected Transactions” in this announcement

“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, <i>inter alia</i> , the proposed New Caps and the agreements in respect of the Non-exempt Continuing Connected Transactions
“Exempt Continuing Connected Transaction(s)”	being those Continuing Connected Transactions for which the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules exceed 0.1% but none of the applicable percentage ratios exceeds 5% and, accordingly, are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules
“Existing Cap(s)”	the existing cap(s) (as applicable) for the Continuing Connected Transactions set out in the section headed “II. Renewal of Continuing Connected Transactions” in this announcement
“Existing Continuing Connected Transaction Agreement(s)”	the agreement(s) dated 8 December 2021 (as amended from time to time, including the amendments published in the announcements of the Company dated 22 September 2022, 2 November 2022, 11 November 2022, 16 October 2023 and 26 December 2023, and the circular of the Company dated 2 December 2022) between the Group and BYD Group in respect of the existing Continuing Connected Transactions, the terms of which will expire on 31 December 2024
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising Mr. CHUNG Kwok Mo John, Mr. QIAN Jing-jie and Ms. WANG Ying being the independent non-executive Directors
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM



“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New BE Processing and Agent Sales Services Agreement”	the processing and agent sales services agreement dated 15 October 2024 between the Company and BYD in relation to the provision of design services, processing services, testing services, research and development support and agent sales services by the Group to BYD Group
“New BYD Utility Services Master Agreement”	the utility services master agreement dated 15 October 2024 between the Company and BYD in relation to the provision of utility services by the BYD Group to the Group
“New Cap(s)”	annual cap(s) for the Continuing Connected Transactions for the three years ending 31 December 2027 set out in the section headed “II. Renewal of Continuing Connected Transactions” in this announcement
“New Continuing Connected Transactions”	the continuing connected transactions described under the section headed “II. Renewal of Continuing Connected Transactions” in this announcement
“New Continuing Connected Transaction Agreements”	the agreement(s) dated 15 October 2024 between the Group and BYD Group in respect of the New Continuing Connected Transactions, as more particularly set out in the section headed “II. Renewal of Continuing Connected Transactions” in this announcement
“New Processing Services Agreement”	the processing services agreement dated 15 October 2024 between the Company and BYD in relation to the provision of processing services by BYD Group to the Group
“New Property Leasing Framework Agreement”	the agreement dated 15 October 2024 between the Company and BYD in relation to the leasing of certain properties of the BYD Group to the Group
“New Purchase Agreement”	the purchase agreement dated 15 October 2024 between the Company and BYD in relation to the purchase of certain products by the Group from the BYD Group



“New Supply Agreement”	the supply agreement dated 15 October 2024 between the Company and BYD in relation to the supply of certain products by the Group to the BYD Group
“New Supply Chain Management Service Agreement”	the agreement dated 15 October 2024 between the Company and BYD Group in relation to the provision of purchasing services by BYD Group to the Group
“New Power Supply Services Agreement”	the power supply services agreement dated 15 October 2024 between the Company and BYD in relation to the provision of power supply services by the Group to the BYD Group
“Non-exempt Continuing Connected Transaction”	being the Continuing Connected Transactions of the Group as contemplated under the New Supply Agreement, for which one or more applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules exceed 5%, and, accordingly, are subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan
“Shares”	the ordinary shares in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board  
**BYD Electronic (International) Company Limited**  
**WANG Nian-qiang**  
*Director*

Hong Kong, 15 October 2024

*As at the date of this announcement, the Board consists of Mr. WANG Nian-qiang and Mr. JIANG Xiang-rong being the executive Directors, Mr. WANG Chuan-fu and Mr. WANG Bo being the non-executive Directors, and Mr. CHUNG Kwok Mo John, Mr. QIAN Jing-jie and Ms. WANG Ying being the independent non-executive Directors.*